

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

(Corrected Copy)

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: May 25, 2001

SUBJECT: Fiscal Impact Statement: "Medicare Supplement Insurance
Minimum Standards Approval Resolution of 2001"

REFERENCE: Public Resolution 14-043 as Introduced

Conclusion

Funds are sufficient in the FY 2001 budget and the FY 2002 through FY 2005 budget and financial plan because no additional staff or resources will be required to implement the provisions of the proposed legislation. The proposed legislation will not have an impact on General Fund revenue.

Background

The proposed legislation ensures that the District's regulations regarding the minimum standards for Medicare supplemental insurance comply with the federal statute (Title IV of the Balanced Budget Act of 1997, Public Law 105-33, to section 1882 of the Social Security Act, Public Law 96-265, 42 U.S.C. § 1395 et. seq.). Without this action, insurers will not be able to offer Medicare supplement insurance policies in the District of Columbia, thereby resulting in an adverse effect on the health, safety and welfare of residents of the District of Columbia. The rules are based on the model regulation to implement the Medicare Supplement Insurance Minimum Standards Model Act that was adopted by the National Association of Insurance Commissioners, and corrected and clarified by the Health Care Financing Administration of the United States Department of Health and Human Services.

The proposed rules are necessary to comply with federal standards. Without these standards in place certification of the regulatory operations of the Department of Insurance and Securities Regulation (DISR) may be revoked by the Secretary of the Department of Health and Human Services.

Financial Plan Impact

There is no fiscal impact resulting from the proposed legislation because DISR needs no additional staff or resources to administer the proposed legislation.